system-related problems. These causes for manual fall-out cannot be attributed to CLEC errors or order complexity.

The use of such a high rate of manual processing will inevitably result in delays in AT&T's ability to serve its customers and create avoidable errors, and will impair AT&T's ability to compete with Ameritech. AT&T also is concerned that the degree of manual intervention will increase even further as Ameritech attempts to process more complex orders for resale of telecommunications services.

Q: MR. MICKENS STATES THAT AMERITECH HAS BEEN SENDING AT&T AEBS-FORMATTED TAPES FOR WHOLESALE CHARGES FOR THE LAST SEVERAL MONTHS. DO YOU HAVE ANY COMMENTS ON THE AEBS WHOLESALE BILLING INTERFACE?

A: Mr. Mickens is correct that AEBS-formatted tapes are being forwarded to AT&T, and Ameritech also provides an AEBS-issued invoice on a monthly basis. However, Mr. Mickens fails to note that since January 1997, the invoice and the tape records have been out of balance and therefore have not provided useful or accurate billing information to AT&T. To date, Ameritech has been unable to correct this problem, and AT&T continues to receive unbalanced, unusable information through this interface.

The out-of-balance condition occurred after Ameritech made an unannounced change to its wholesale billing system. Ameritech provided no reason for its system change, which had the apparently unintended effect of causing its invoices to deviate from and fail to conform to the tape records. The problem is a serious one, and Ameritech's staff continues to investigate it. However, both the January and February wholesale bills received by AT&T were out of balance and inaccurate, and Ameritech has provided no assurance to AT&T that these issues will be resolved for the March bill.

Although Ameritech and AT&T have agreed to a financial arrangement of this billing issue, these problems clearly demonstrate that Ameritech's AEBS wholesale billing interface is not operational. In addition, the recent problems with this interface illustrate how Ameritech's pattern of making "surprise" modifications to its interfaces can lead to unintended and significant problems for AT&T. AT&T has been working with its account representative at Ameritech to attempt to ensure that Ameritech pre-announces changes to its systems and interfaces so that AT&T can (a) make corresponding changes on a timely basis, (b) verify that the Ameritech changes have accomplished their intended purpose, and (c) verify that the Ameritech changes do not disturb other processing features. To date, Ameritech has refused to agree to make such pre-announcements for

changes to its billing interface, leaving AT&T vulnerable to other "surprise" problems that are likely to injure its ability to serve its customers effectively.

Q: IS THE INTERFACE REQUIRED FOR PROVISIONING ACTIVITIES RELATING TO RESOLD SERVICE OPERATIONAL?

A: No. The provisioning function of the resale interface is not providing order confirmations at commercially reasonable intervals. AT&T experiences delays in order processing as a result of the high number of orders that are dropped to manual processing.

Q: MR. MICKENS CONTENDS THAT TESTING OF THE PRE-ORDERING INTERFACES REVEALED ONLY "A FEW ERRORS," ALL OF WHICH WERE QUICKLY RESOLVED. DO YOU AGREE WITH HIS ASSESSMENT?

A: No. The AIIS Testing Problem Log produced by Ameritech in response to Staff's data requests summarizes the problems identified during testing of the pre-ordering interface between December 5, 1996 and February 3, 1997. During these two months, 62 problems were identified involving a substantial number of different issues. But it is difficult for me to interpret these Ameritech-generated documents and Ameritech has not otherwise disclosed details about these issues to AT&T. I attended the deposition by AT&T of Ameritech's witness Joseph Rogers

with the expectation that I would be able to receive some guidance on these documents, but Mr. Rogers was unable to even identify some of the logs and was only able to give a cursory explanation of the log with which he was familiar.

Q: MR. MICKENS CLAIMS THAT THE AMERITECH OSS INTERFACES PROVIDE NON-DISCRIMINATORY ACCESS FOR CLECS AND THAT HIS MEASUREMENT SUGGESTIONS ARE ADEQUATE. DO YOU AGREE?

A: Mr. Mickens recognizes and accepts that Ameritech is obligated under the Telecommunications Act and the FCC's orders to provide non-discriminatory access to its OSS interfaces. (Mickens, pp. 10, 12). But the set of indicators proposed by Mr. Mickens in Schedule 5 would not in any way demonstrate whether Ameritech is meeting these obligations. Mr. Mickens fails to provide any evidence that, on the critical issue of OSS equivalence, comparable calculations would be made or would be available for the retail operations of Ameritech. Although Ameritech has repeatedly informed this Commission and the party CLECs that the data accessed by CLECs is similar to the data accessed by Ameritech Wisconsin retail operations, the systems are different and Mr. Mickens' proposal completely fails to address or provide for the reporting of information regarding Ameritech's retail systems.

Mr. Mickens further complicates any analysis of his proposals by failing to supply key definitions and sample calculations for several of his suggested measurement components. Mr. Mickens organizes the OSS demonstrations in Schedule 5 into three dimensions: (1) Reliability; (2) Completions; and (3) Availability. He offers a very brief explanation of what a dividend and divisor should be for each calculation and in some cases describes their purpose. I will discuss each of the three dimensions in turn.

In the Reliability component, Mr. Mickens does not provide any explanation for what he means by "% incorrect responses" for the Ordering EDI, Ordering ASR, Order Status, EBTA Trouble Entry, or EBTA Trouble Status measures. He also provides no information on the "% not provided" measure for the ABES (sic) or Daily Usage Files.

For the Completion dimension, Mr. Mickens explains his interpretation for calculating "% transactions sent on time" but he does not describe what he means by "% not provided on time" for the daily usage files.

As for the Availability element, Mr. Mickens ignores the importance to CLECs such as AT&T of having the interfaces available according to their need. In measuring only the extent to which the interfaces work when they are available,

Mr. Mickens overlooks the far more important question of the extent to which the interfaces will be available when CLECs need to access them. Under the analysis proposed by Mr. Mickens, a CLEC that had no down-time for its one-hour per day needs would have the same Availability result as one that had no down time for the one hour, but actually needed access on a 24-hour basis.

I therefore strongly disagree with Mr. Mickens's testimony that a report such as this "will show that such OSS access is equivalent from a business operations perspective; that is, service representatives of nonaffiliated carriers are able to perform business transactions requiring OSS functions on an equivalent basis to the way Ameritech Wisconsin's service representatives perform the same type of transactions." (Mickens, p. 14). Quite simply, no meaningful conclusions can be drawn from Schedule 5 regarding the performance or parity of Ameritech's OSS interfaces with the services Ameritech provides to its own customers.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Bell (U 1001 C) for Approval of its Statement of Generally Available Terms for Interconnection and Access	Application No. 97-02-020

COMMENTS OF CALIFORNIA TELECOMMUNICATIONS COALITION ON PACIFIC BELL'S (U 1001 C) PROPOSED STATEMENT OF GENERALLY AVAILABLE TERMS

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TABLE OF CONTENTS

TABLE OF AUTHORITIES

State Regulation

State Cases

I.
INTRODUCTION

The California Telecommunications Coalition ("the Coalition")[1] respectfully requests that the California Public Utilities Commission ("the Commission"), in accordance with Section 252(f)(2) of the Telecommunications Act of 1996 ("the Act" or "*TA96*"), disapprove the Statement of Generally Available Terms ("SGAT") filed by Pacific Bell ("Pacific") in this application proceeding on February 19, 1997. As explained below in Section III of these Comments, the SGAT is totally unnecessary and has no bearing on whether Pacific is entitled to relief under Section 271 of the Act. Even if the Commission finds that the SGAT is somehow relevant, the Discussion set out in Section V, below, documents the myriad reasons why the SGAT does not meet the strict requirements of Sections 252(d) and 251 and the regulations thereunder.

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[1] The Coalition members filing these Comments include AT&T Communications of California, Inc. ("AT&T"); California Cable Television Association ("CCTA"); California Payphone Association; ICG Telecom Group, Inc. ("ICG"); MCI Telecommunications Corp. ("MCI"); Sprint Communications L.P., Inc. ("Sprint"); and The Utility Reform Network ("TURN"). Because TURN is not a carrier and lacks familiarity with the particular problems that carriers have encountered in working with Pacific's interim Operational Support Systems ("OSS"), TURN does not join in the factual claims regarding such problems discussed in these Comments.

II.
STATUTORY FRAMEWORK

Section 252(f)(1) permits, but does not require, an Incumbent Local Exchange Carrier ("ILEC") to:

> "[F]ile with a State commission a Statement of the terms and conditions that such company generally offers within that State to comply with the requirements of section 251 of this title and the regulations thereunder and the standards applicable under this section."

However, Section 252 expressly prohibits the Commission from approving any SGAT which does not comply with "subsection (d) [of Section 252] and Section 251 of [The Act] and regulations thereunder." 47 U.S.C. § 252(f)(2). Because Pacific's SGAT complies with neither Section 252(d) nor with Section 251, the Act requires that the Commission withhold its approval of the SGAT.

All terms of Section 251 must be satisfied by the SGAT before it can be approved. Section 251 imposes a duty upon Pacific, among other things, to:

A. provide interconnection with its network for the transmission of exchange service and access, at any technically feasible point, at least equal in quality to that provided by Pacific to itself, and on rates terms and conditions that are just, reasonable, and nondiscriminatory; *TA96* § 251(c)(2);

B. provide nondiscriminatory access to network elements on an unbundled basis at any technically feasible point on rates, terms, and conditions that are just, reasonable and nondiscriminatory; *TA96* § 251(c)(3);

C. afford nondiscriminatory access to poles, ducts, conduits and rights-of-way consistent with the Act; *TA96* § 251(b)(4);

D. provide dialing parity and nondiscriminatory access to telephone numbers, operator services, directory assistance, and directory listing with no unreasonable delays; *TA96* § 251(b)(3);

E. provide number portability as required by the FCC; *TA96* § 251(b)(2);

F. establish reciprocal compensation arrangements for the transport and termination of telecommunications; *TA96* § 251(b)(5);

G. offer for resale at wholesale rates any telecommunications service and, with respect to same, not impose unreasonable or discriminatory conditions or limitations on the resale of services; *TA96* §§ 251(c)(4) and § 251(b)(1); and

H. provide for physical collocation of equipment on rates, terms and conditions that are just, reasonable and nondiscriminatory unless it can demonstrate to the Commission that space or technical limitations make physical collocation impractical, in which case it must provide for virtual collocation; *TA96* § 251(c)(6).

As discussed below, Pacific's SGAT falls short of meeting many of the above requirements.

The SGAT also must satisfy the pricing standards of Section 252(d). Interconnection and network elements must be priced "based on the cost ... of providing" same.[2] *See TA96* § 252(d)(1). Transport and termination of traffic prices must be just and reasonable and provide for both the mutual and reciprocal recovery of costs associated with transport and termination on

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[2] The statute states in relevant part: "Determinations by a State Commission of the just and reasonable rate for the interconnection of facilities and equipment ... and the just and reasonable rate for network elements...may include a reasonable profit." *TA96* § 2511(d)(1)(B).

each carrier's network facilities of calls originating on the network facilities of the other carrier and upon a reasonable approximation of the additional costs of terminating calls. *TA96* § 252(d)(2). Finally, wholesale prices for telecommunications services must be based on the rates charged to subscribers less any marketing, billing, collection and other costs that will be avoided by the ILEC. *TA96* § 252(d)(3). As discussed below, Pacific's SGAT cannot meet many of these pricing requirements.

III.
THERE IS NO NEED FOR THE SGAT

The SGAT should be rejected because it is a totally unnecessary offering by Pacific under any analysis. First, as set forth in detail below, the SGAT absolutely does not meet the requirements of Section 251 because it is deficient on its face. Thus, the SGAT should be dismissed outright. Second there is no need for a Statement of Generally Available Terms from Pacific because there are voluntary and arbitrated interconnection agreements in place in California. Thus, any new entrant wishing to establish an interconnection agreement with Pacific may, under Section 252(i), choose any extant interconnection agreement for the terms and conditions under which Pacific must offer it access and interconnection.[3]

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[3] Section 252(i) states: "A local exchange carrier shall make available any interconnection, service, or network element provided under an agreement approved under this section to which it is a party to any other requesting telecommunications carrier upon the same terms and conditions as those provided in the agreement."

This is particularly relevant since many of the interconnection agreements Pacific has entered into offer better terms than those found in the SGAT, as discussed below. Even if this Commission finds that the SGAT is relevant, the Coalition asks the Commission for an affirmative statement that Pacific's SGAT will have no value as a precedent.

Third, because there have been numerous requests for interconnection which have in fact resulted in interconnection agreements (voluntary or arbitrated), there is no logical basis for a finding that Pacific's SGAT might serve as the basis for a filing under Section 271(c)(1)(B) ["Track B"] of the Act.[4] Even if Track B were available to Pacific, which it is not, these Comments demonstrate that the SGAT does not meet the requirements of Sections 251 and 252(d) of the Act.

It is important to place Pacific's SGAT into the proper regulatory context of Section 271 of the Act. Pacific's SGAT Application appears intended to satisfy a prerequisite to its application to enter the interLATA market by means of which are unavailable, pursuant to the Act. *See* Pacific's Application at 6.

Track B (the "SGAT method") is not relevant here because it applies only to situations in which "no provider has requested the access and

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[4] Section 271(c) of the Act requires that Bell Operating Companies ("BOCs") like Pacific provide access and interconnection as a precondition to being permitted to provide in-region interLATA services. Section 271(c) allows BOCs to satisfy the precondition if they meet the requirements of either Subparagraph (A) ("Track A") or Subparagraph (B) ("Track B") of Section 271(c).

interconnection" after 10 months from the effective date of the Act (December 8, 1996) from the ILEC. *TA96* § 271(c)(1)(B). Pacific has received multiple requests for access and interconnection. Accordingly, the terms of Subparagraph (A) govern Pacific's eventual application for entry into the interLATA market, not Subparagraph (B).

Section 271(c)(1)(A) of the Act states:

> "(A) Presence of a facilities-based competitor. -- A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 3(47)(A), but excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this Subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services."

Further, the Act requires the actual provision of service, not just an agreement to provide service. *TA96* § 271(c)(2)(A)(i)(I). Thus, under Section 271, it is the presence of facilities-based competition -- or lack of it -- which will determine whether Pacific's Section 272 affiliate is allowed to enter the interLATA market, and not its offering of an SGAT.

The plain language of paragraph (c)(1), the structure of subparagraph (c)(1)(B), the legislative history, and the statutory purpose firmly establish Track B's purpose as a narrowly-crafted exception to the Track A entry provisions, to be used only if competitors did not request interconnection within the timeframes specified. Any other construction would effectively write Track A out of the statute because it would permit BOCs to enter the interexchange market by the easier route whenever they could not pass the harder test requiring proof of facilities-based competition under Track A -- even if new entrants that intended to compete exclusively or predominantly over their own facilities had requested interconnection and access.

The legislative history makes clear that as a general rule, Congress intended that the BOCs could not enter the interexchange market unless and until they were actually providing interconnection and access to real competitors. For example, in describing the predecessor to section 271(c)(1)(A), the House Report on H. R. 1555 emphasized that "the Commission must determine that there is a facilities-based competitor that is providing service to residential and business subscribers." (H. Rep. No. 204, 104th Cong., 1st Sess. 76-77 (1995).) That such a competitor is providing service pursuant to an approved agreement, the Committee continued, "is the integral requirement of the checklist, in that it is the tangible affirmation that the local exchange is indeed open to competition." *Id.* at 77 (emphasis added). Furthermore, it stressed, "the 'openness' and 'accessibility'

requirements are truly validated only when an entity offers a competitive local service in reliance on those requirements." *Id.* It is impossible to reconcile this commitment to the presence of facilities-based competitors with the BOCs' contention that Congress intended them to be able to satisfy the competitive checklist without any approved agreements whenever no significant facilities-based competitor existed. Track B was intended only as an alternative if there were no interexchange agreements between the ILEC and requesting CLCs.

Finally, a mere paper offering does not satisfy Track B regardless of the BOCs' actual ability to provide interconnection and access consistent with the competitive checklist. Track B requires a BOC to be ready, willing, and able to meet all the requirements of the Section 271 checklist, including the ability to support any request at an operational level. Equally important, whether it proceeds under Track A or Track B, Pacific, as a BOC, must satisfy the independent public interest test. *TA96* § 271(d)(3)(C). For example, even if no facilities-based competitor requested all of the items on the competitive checklist, it would not be in the public interest for a BOC to provide in-region interexchange services while it has no operational readiness to provide interconnection and access to legitimate competitors that partially but not predominantly utilize their own facilities, or while its control of local bottleneck facilities still gives it the ability and incentive to stifle interexchange competition.

IV.
EXECUTIVE SUMMARY OF SGAT DEFICIENCIES

As discussed throughout these Comments, Pacific's SGAT fails to satisfy the requirements of Sections 252(d), 251 and the regulations thereunder. Instead, the SGAT is really a gatekeeping device which permits Pacific to discriminate against its competitors. Pacific is allowed to either keep its competitors out or control their entry into the market in the manner, timing, and scope dictated by Pacific. Rather than offering competitive local carriers ("CLCs") a blueprint for how they can enter the local exchange market on a resale, unbundled network element or facilities basis, Pacific's SGAT erects numerous unlawful barriers to such entry. Specifically, these Comments focus on the following deficiencies of Pacific's SGAT:

* Pacific's SGAT does not provide for nondiscriminatory access to its OSS in a manner which provides competitive local carriers parity in service for the pre-ordering, ordering, provisioning, maintenance, and repair of interconnection facilities, resale services and unbundled network elements;
* Pacific's SGAT does not provide requesting telecommunications carriers nondiscriminatory access to requisite unbundled network elements or rights of way;
* Pacific's SGAT contains barriers to interconnection, access to unbundled network elements and resale because the prices Pacific can

charge under the terms of the SGAT are not cost-based and, thus, are not just, reasonable, or nondiscriminatory;

* Pacific's SGAT unreasonably and unlawfully restricts resale; and

* Pacific's SGAT does not adequately provide for nondiscriminatory access to numbering resources, interim or permanent number portability.

For all these reasons, the Coalition respectfully urges that the Commission either: 1) disapprove the SGAT; or 2) allow it to take effect as merely a tariff, but find that its effectiveness has no bearing as to whether Pacific is entitled to relief under § 271 of the Act.[5] If the Commission does indeed allow it to take effect, the Commission may and should continue its review of Pacific's compliance with the Competitive Checklist[6] in the context of the Managing Commissioner's Ruling ("MCR") which joins the Open Access and Network Architecture Development ("OANAD") proceeding, R.93-04-003/I.93-04-002 and the Competition for Local Exchange Service,

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[5] This Commission has promulgated specific rules with regard to an SGAT. *See* Rules Governing Filings Made Pursuant to the Telecommunications Act of 1996. Rule 5.4 of those Rules states: "The Commission shall reject a statement if it finds it does not meet the requirements of Section 251, the FCC's regulations prescribed under Section 251, or the pricing standards set forth in Subsection 252(d). Pursuant to Subsection 252(e)(3), the Commission may also reject statements which violate the other requirements of the Commission, including, but not limited to, quality of service standards adopted by the Commission."

[6] The "Competitive Checklist" is a list of access and interconnection requirements that BOCs must as part of satisfying Section 271. *TA96* § 271(c)(2)(B). It will be referred to as "checklist" throughout the remainder of these Comments.

R.95-04-043/I.95-04-044 proceedings,[7] which was instituted for that very purpose.

V.
DISCUSSION

A. Lack of Nondiscriminatory Access.

1. No Parity In OSS.

The Act requires that Pacific must "generally offer[] within the State" whatever is in the SGAT. *TA96* § 252(f)(1). In short, whatever is in the SGAT must be currently available in order for the SGAT to even start to meet the requirements of Section 251 and 252(d). The SGAT cannot be approved based on predictions about what Pacific may do in the future. Here, the SGAT is, on its face, deficient because what it sets forth is not generally available to its competitors.[8]

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[7] Review of compliance with the checklist and consultation with the FCC on these issues is perhaps the single most important role the Commission will fulfill in furtherance of opening California telecommunications markets to competition. If the Commission finds compliance prematurely, competition will be stillborn, with Pacific in a position to secure its near-monopoly over local exchange services and leverage that monopoly to harm competition in the California long distance market. There is no reason to rush to judgment on the question of checklist compliance in the context of an SGAT filing when the Commission has already set a more deliberate course in the MCR proceeding. In that proceeding, the Commission is set to consider issues, including market and technical conditions, which go to whether the checklist has been fully implemented, the extent to which facilities-based competition is present and whether Pacific's in-region interLATA entry is in the public interest. Those findings are required under Sections 271(c) and 271(d)(3)(C) as a prerequisite to Pacific's in-region interLATA entry.

[8] It should be noted that while an interconnection agreement can provide for Section 251 requirements to be met in the future, an SGAT cannot make those future promises because the Act expressly requires that an ILEC like Pacific be able to generally offer the Section 251 and 252(d) terms through the SGAT. Thus, by choosing to file the SGAT, Pacific has chosen to assert that it is able to offer all

Before the Commission can approve any SGAT, Pacific must demonstrate that the interfaces offered in the SGAT for access to Pacific's critical OSS for pre-ordering, ordering, provisioning, maintenance and repair, and billing are operationally ready for the purpose of providing service through resale and unbundled network elements and can handle the magnitude of orders CLCs will need to place to ensure that local competition will develop in California.

In its SGAT, Pacific admits that the permanent "Long Term Systems" interfaces to its operational support systems as described in Appendix A of Attachment 11 of its SGAT are not yet available for use by CLCs.[9] The members of the Coalition agree that such interfaces are not operationally ready. If such access is not yet "available" for use through interconnection agreements, negotiated and arbitrated with Pacific, then it certainly cannot

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services and products listed in the SGAT. Pacific's choice is misleading because the SGAT is premature, because Pacific does not generally make available many of the terms listed in the SGAT. Instead, the true record is that Pacific does not, at the moment, meet the requirements of the Act under either Sections 251, 252 or 271.

[9] The SGAT states: "As soon as possible after the Effective Date and no later than the 'Details Specification Agreed to Date' as set forth in Exhibit 1, CLC and PACIFIC will use their best efforts to agree to detailed specifications for upgrading the ordering information exchange mechanism according to the Telecommunications Industry Forum (TCIF) for Electronic Data Interchange (EDI)." SGAT, Attachment 11, Appendix A, Section 2.1.2. In Exhibit 1 to which Section 2.1.2 refers, no specific dates are listed. Instead, Pacific makes two notations that "All dates are tentative awaiting Industry Standards" and that the 'Agreed to By Date' and 'Start Dates' will be "as mutually agreed by the Parties." In other words, the SGAT sets forth no firm dates on which the members of the Coalition can rely. Instead, the implementation schedule promises only that Pacific will engage in more negotiations. This is not the full implementation required by the Act.